

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 072868

43

ORIGIN EA-03

INFO OCT-01 ISO-00 /004 R

66604

DRAFTED BY EA/EP:RHIMUS:SJB

4/1/75 EXT. 29391

APPROVED BY EA/EP:RHIMUS

----- 058921

P 011516Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY MANILA PRIORITY

LIMITED OFFICIAL USE STATE 072868

FOLLOWING SENT SECSTATE WASHDC FROM HONG KONG 27 MAR 75:

QUOTE LIMITED OFFICIAL USE HONG KONG 3243

E.O. 11652: N/A

TAGS: ETRD HK US

SUBJ: GSP --- REACTION OF CHINESE MANUFACTURERS' ASSOC.

1. I HAVE RECEIVED TWO IDENTICAL STRONG LETTERS FROM THE CHINESE MANUFACTURERS ASSOC. ADDRESSED TO THE SECRETARY AND TO ME. THE LETTERS URGE THE USG TO REVIEW URGENTLY THE DECISION TO EXCLUDE HONG KONG AND MAKE THE FOLLOW POINTS:

A) HONG KONG IS DIFFERENT FROM OTHER DEVELOPING COUNTRIES IN THAT: (1) IT IS A SMALL AREA WITH A LARGE AND GROWING POPULATION; (2) IT HAS NO NATURAL RESOURCES; AND (3) IT HAS NOT DOMESTIC MARKET.

B) HONG KONG IS ALREADY AT A DISADVANTAGE VIS-A-VIS LOCAL COMPETITORS WHO HAVE NATURAL RESOURCES AND ARE ABLE TO PROVIDE INVESTMENT INCENTIVES.

C) EXCLUDING HONG KONG WILL CREATE DIVERSION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 072868

NOT ONLY IN TRADE BUT ALSO IN INVESTMENT;

THIS WILL COMPROMISE HONG KONG'S EFFORTS
TO SHIFT INTO NEW PRODUCT LINES WHICH ARE
NOT SENSITIVE IN THE U.S. MARKET.

D) EVEN THE EEC, WHICH AS DISCRIMINATED AGAINST
HONG KONG'S TEXTILES AND FOOTWARE, IS BEGINNING
TO REALIZE THE IMPLICATION OF THE RESULTANT
TRADE DIVERSION.

E) HONG KONG IS NOT SEEKING NEW ADVANTAGE BUT
AN ABSENCE OF DISCRIMINATION . AS SEEN IN
HONG KONG THE ISSUE IS NOT THEROETICAL
EQUALITY BUT SURVIVAL.

2. MY REPLY WAS AS FOLLOWS:

" I CAN WELL APPRECIATE THE CONCERNS EXPRESSED IN
YOUR LETTERS, PARTICULARLY HONG KONG'S TOTAL DE-
PENDENCE UPON FOREIGN TRADE AND THE EFFECT THAT
EXCLUSION MIGHT HAVE ON THE PATTERN OF TRADE AND NEW
INVESTMENT. AT THIS POINT ALL I CAN USEFULLY SAY
IS THAT THE INTITAL LIST PUBLISHED THIS WEEK IS NOT
A FINAL LIST. YOU WILL NOTE THAT HONG KONG WAS
LISTED AS A POTENTIALLY ELEGIBLE BENEFICIARY AND I
AM RELIABLY INFORMED THAT THIS STATUS WILL BE THE
SUBJECT OF A CONTINUOUS AND INFORMED REVIEW BY THE
CONCERNED FEDERAL AGENCIES IN WASHINGTON. ALTHOUGH
I CANNOT PROMISE A DEADLINE FOR THIS FINAL
DETERMINATION, IT WILL BE MADE BEFORE THE
SCHEME GOES INTO OPERATION THIS FALL. THE
ARGUMENTS ADVANCED BY YOUR ASSOCIATION AS
WELL AS OTHER TRADE ASSOCIATIONS AND THE HKG
WILL ALL RECEIVE CAREFUL ATTENTION AND HELP THE
USA ARRIVE AT A SOUND DECISION".

3. IF DEPARTMENT WISHES A FURTHER REPLY ON BEHALF OF
THE SECRETARY , PLEASE PROVIDE TEXT.

4. SECRETARY'S COPY FOLLOWS BY MONDAY, MARCH 31 POUCH.
CROSS UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MFN, GOVERNMENT REACTIONS, GENERALIZED PREFERENCES (TARIFFS), LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE072868
Document Source: CORE
Document Unique ID: 00
Drafter: RHIMUS:SJB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750112-0736
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750493/aaaadgow.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 14 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 JUL 2003 by KelleyW0>; APPROVED <17 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GSP --- REACTION OF CHINESE MANUFACTURERS' ASSOC.
TAGS: ETRD, HK, US
To: MANILA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006